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**City of Las Cruces**<sup>®</sup>  
 PEOPLE HELPING PEOPLE

**Council Action and Executive Summary**

Item # 3 Ordinance/Resolution# 14-138

For Meeting of \_\_\_\_\_  
 (Ordinance First Reading Date)

For Meeting of March 3, 2014  
 (Adoption Date)

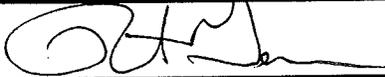
Please check box that applies to this item:

QUASI JUDICIAL       LEGISLATIVE       ADMINISTRATIVE

**TITLE: A RESOLUTION TO AUTHORIZE AND APPROVE SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY.**

**PURPOSE(S) OF ACTION:**

Authorize submission for financial assistance.

<b>COUNCIL DISTRICT: N/A</b>		
<b><u>Drafter/Staff Contact:</u></b> Robert Scaling	<b><u>Department/Section:</u></b> Finance/Treasury	<b><u>Phone:</u></b> 541-2035
<b><u>City Manager Signature:</u></b>		

**BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:**

The City of Las Cruces, in its capacity as the fiscal agent of the South Central Solid Waste Authority (SCSWA) and as the administering agency for issuance of revenue bonds under the Joint Powers Agreement, is proposing to submit an application for financial assistance to the New Mexico Finance Authority to allow the SCSWA to refinance its current debt and borrow an additional \$1,600,000 for new operational infrastructure. Additionally, this financing proposal will allow the SCSWA to reduce its current annual debt service which will result in the accumulation of needed capital in anticipation of constructing a large transfer station in Anthony within two years with the completion of the land transfer from the Bureau of Land Management.

**SUPPORT INFORMATION:**

1. Resolution.
2. Exhibit "A", Financing Application.

(Continue on additional sheets as required)

**SOURCE OF FUNDING:**

<b>Is this action already budgeted?</b>  N/A	Yes	<input type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from:
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
		<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.
<b>Does this action create any revenue?</b>  N/A	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of \$ _____ for FY _____
	No	<input type="checkbox"/>	There is no new revenue generated by this action.

**BUDGET NARRATIVE**

This transaction will not impact the FY 2014 budget. The City of Las Cruces and Doña Ana County will pledge their Environmental Gross Receipts Tax revenue to the proposed financing, but staff anticipates that the debt will be paid entirely from the SCSWA revenues beginning in FY 2015.

**FUND EXPENDITURE SUMMARY:**

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

**OPTIONS / ALTERNATIVES:**

1. Vote "Yes"; this will enable City staff to submit the financing application to the New Mexico Finance Authority.
2. Vote "No"; this will deny City staff the opportunity to submit the financing application to the New Mexico Finance Authority and realize the cash flow savings and business opportunity.
3. Vote to "Amend"; this could require staff to explore other financing options not currently recommended by the City's financial advisor.
4. Vote to "Table"; this could delay this financing opportunity and cause financial harm to the SCSWA.

**REFERENCE INFORMATION:**

N/A

(Continue on additional sheets as required)

**RESOLUTION NO. 14-138****A RESOLUTION TO AUTHORIZE AND APPROVE SUBMISSION OF A COMPLETED APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO FINANCE AUTHORITY**

The City Council is informed that:

**WHEREAS**, the City of Las Cruces (“Governmental Unit”) is a qualified entity under the New Mexico Finance Authority Act, Sections 6-21-1 through 6-21-31, NMSA 1978 (“Act”), and the City Council (“Governing Body”) is authorized to borrow funds and/or issue bonds for financing of public projects for the benefit of the Governmental Unit; and

**WHEREAS**, the New Mexico Finance Authority (“Authority”) has instituted a program for the financing of projects from the public project revolving fund, created under the Act, and has developed an application procedure whereby the Governing Body may submit an application (“Application”) for financial assistance from the Authority for public projects; and

**WHEREAS**, pursuant to a joint powers agreement duly authorized and executed by the City and Doña Ana County, New Mexico (the “County”) prior to the adoption hereof and designated as the “Third Amended and Restated Joint Powers Agreement to Establish a Regional Solid Waste Authority and to Provide for Financing” (the “Joint Powers Agreement”), all pursuant to Sections 11-1-1 through 11-1-7, NMSA 1978 and as approved by the New Mexico Department of Finance and Administration, the City and the County have determined to jointly exercise common powers relating to solid waste disposal, have created the South Central Solid Waste Authority (the “Authority”) and have designated the City as the fiscal agent and the administering agency for issuance of revenue bonds under the Joint Powers Agreement; and

**WHEREAS**, the City issued its \$7,980,000 South Central Solid Waste Authority Environmental Services Gross Receipts Tax/Project Revenue Bonds, Series 2004 (the "Series 2004 Bonds"), currently outstanding in the principal amount of \$2,340,000, for the purpose of defraying the costs of refunding its \$10,795,000 South Central Solid Waste Authority Environmental Services Gross Receipts Tax/Project Revenue Bonds, Series 1995; and

**WHEREAS**, the Authority has requested the City to submit an Application to the Finance Authority, and to execute and deliver a loan agreement by and between the City and the Finance Authority in a principal amount not to exceed \$4,000,000 (the "Loan Agreement") to provide funds for the purpose of (1) defraying the cost of refunding the Series 2004 Bonds, and (2) acquiring, constructing, extending, enlarging, bettering, repairing or otherwise improving or maintaining solid waste disposal equipment, equipment for operation and maintenance of sanitary landfills, sanitary landfills, solid waste facilities, or any combination of the foregoing (together, the "Project"); and

**WHEREAS**, the application prescribed by the Authority has been completed and submitted to the Governing Body, and this resolution approving submission of the completed Application to the Authority for its consideration and review is required as part of the Application.

**NOW, THEREFORE**, Be it resolved by the governing body of the City of Las Cruces:

**(I)**

**THAT** all actions previously taken by the Governing Body, the Governmental Unit, and their respective officers and employees, in connection with the Application and

the Project, are hereby ratified, approved, and confirmed.

**(II)**

**THAT** the completed Application submitted to the Governing Body is hereby approved and confirmed.

**(III)**

**THAT** the officers and employees of the Governing Body are hereby directed and requested to submit the completed Application to the Authority, and are further authorized to take such other action, as may be requested by the Authority in connection with the Application, and to proceed with arrangements for financing the Project.

**(IV)**

**THAT** all acts and resolutions in conflict with this resolution are hereby rescinded, annulled, and repealed.

**(V)**

**THAT** this resolution shall take effect immediately upon its adoption.

**(VI)**

**THAT** City staff is hereby authorized to do all deeds as necessary in the accomplishment of the herein above.

**DONE AND APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

APPROVED:

ATTEST:

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
CITY CLERK:

(SEAL)

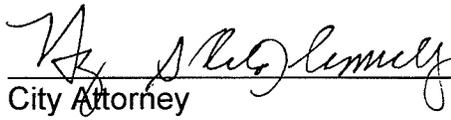
VOTE:

Mayor Miyagishima: \_\_\_\_\_  
Councillor Silva: \_\_\_\_\_  
Councillor Smith: \_\_\_\_\_  
Councillor Pedroza: \_\_\_\_\_  
Councillor Small: \_\_\_\_\_  
Councillor Sorg: \_\_\_\_\_  
Councillor Levatino: \_\_\_\_\_

Moved by: \_\_\_\_\_

Seconded by: \_\_\_\_\_

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney



# AUTHORITY

## PUBLIC PROJECT REVOLVING FUND BUILDING APPLICATION

NMFA Use Only:	
App. #:	-PP
FA assigned:	
Legislative Authorization	

### I. GENERAL INFORMATION

#### A. APPLICANT /ENTITY

		<b>Application Date:</b>		01/28/2014	
<b>Applicant/Entity:</b>		City of Las Cruces, South Central Solid Waste Authority			
<b>Address:</b>		700 N. Main, Las Cruces, NM 88001			
<b>County</b>		Dona Ana		<b>Census Tract:</b>	
<b>Federal Employer Identification Number (EIN) as issued by the IRS:</b>					
<b>Legislative District:</b>		<b>Senate:</b>		<b>House:</b>	
<b>Phone:</b>	575-541-2035	<b>Fax:</b>	575-541-2039	<b>Email Address:</b>	rscaling@lasc-cruces.org
<b>Individual Completing Application:</b>		Jeremy Landrum of RBC Capital Markets			
<b>Address:</b>		RBC CM, 6301 Uptown Blvd. NE, Suite 110, Albuquerque, NM 87122			
<b>Phone:</b>	505-872-5996	<b>Fax:</b>	505-872-5979	<b>Email Address:</b>	jeremy.landrum@rbccm.com

#### B. CONSULTING PROFESSIONALS (Bond/Legal Counsel, Architect, Engineer, etc.), if available:

<b>Firm:</b>		Modrall Sperling			
<b>Contact:</b>		Duane Brown			
<b>Address:</b>		500 4 <sup>th</sup> St. NW Ste. 1000, Albuquerque, 87102			
<b>Phone:</b>	505-848-1814	<b>Fax:</b>	505-848-9710	<b>Email Address:</b>	duanebrown@modrall.com

#### C. PRIMARY CONTACT PERSON:

<b>Name:</b>		City of Las Cruces			
<b>Contact:</b>		Robert Scaling – City Treasurer			
<b>Address:</b>		700 N. Main, Las Cruces, NM 88001			
<b>Phone:</b>	575-541-2035	<b>Fax:</b>	575-541-2039	<b>Email Address:</b>	rscaling@las-cruces.org

## II. PROJECT SUMMARY

**A. Project Description.** Complete the following information, using additional paper if necessary. Include any additional documents that may be useful in reviewing this project, i.e. architectural designs, feasibility studies, business plan, etc.

1. Loan proceeds will provide funds to (i) currently refund the Authority's outstanding Series 2004 bonds along with (ii) approximately \$1.5 million for new projects. A description of the projects is provided below.

2. Proposed Project Start Date: July, 2014 Proposed Project Completion Date: January, 2016

When do you need NMFA funds available? Day of closing

A. Description of the project:

Project 1- Community Collection Center in Chapparral New Mexico.

Cost- Estimated \$900,000

Beginning in July of FY 15 the Authority plans to design and construct a new Community Collection Center in the community of Chapparral, New Mexico. Similar in design and scope of the new facility built in Truth or Consequences in 2012, this facility will serve as a hub for solid waste and recycling collection along the south eastern portion of Dona Ana County. Opening as a registered facility with the New Mexico Environment Department this facility will have a maximum capacity of 87,600 cubic yards of material annually. This translates into an estimated 24 tons of material a day that can be managed by this facility. Chapparral, New Mexico is a designated Colonia that straddles both Dona Ana and Otero County. With a population approaching 25,000 this community is in dire need of a solid waste facility and the associated programs and education the Authority brings to the communities it serves. The entire project should be constructed in 18 months

Project 2- Additional Administrative Offices SCSWA Amador Facility

Cost- Estimated \$650,000

Having completed the design phase of the project in 2012 the Authority is ready to add on to its existing office space with an additional 5 offices and 1660 square feet of office and work space. The original office space for the Authority was constructed in the mid-1990s and needs both work space and technology improvements. Currently administrative staff is split between the main office and a temporary office building located at the Recycling Center. The Authority will begin construction in the late summer of 2014 with plans to move everyone under a single roof in early 2015.

Project 3- New Communication infrastructure for the Corralitos Landfill

Cost- Estimated \$50,000

The Corralitos Landfill is in desperate need of a technology upgrade to support faster internet connection and reliable phone service to the facility. Funding would be used to install a microwave system at the landfill that will provide fast as secure connection for both.

3. How will the ongoing maintenance, operation, and replacement of this project be funded?

On-going maintenance costs will be funded through the City's solid waste enterprise fund.

4. Provide a detailed drawdown schedule for project payments. The schedule may reflect monthly or quarterly payments.

N/A – All funds will be required on the day of closing.

**A. Total Project Cost & Sources of Funds Detail.**

Construction Activities	NMFA Funds Requested	Other Public Funds*	Private Funds	Total
Refunding Escrow (Cash Deposit)	\$2,377,015.63	\$	\$	\$2,377,015.63
Project Fund	\$1,500,000.00	\$	\$	\$1,500,000.00
Cost of Issuance	\$55,000.00	\$	\$	\$55,000.00
<b>Total Cost:</b>	<b>\$3,932,015.63</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$3,932,015.63</b>

\*Specify any other public funds, and amounts and terms of these funds, i.e. FmHA, CDBG, EPA, etc.

Source	Amount	Terms / # of Years
2004 Debt Service Reserve Fund	\$798,000	One time cash contribution
	\$	
<b>Total:</b>	<b>\$ 798,000</b>	

Attach a letter verifying that each non-NMFA funding source has been approved, or is in the process of being approved for this project. Explain any exceptions.

- C. Will this project require right-of-way acquisition? Yes  No

If yes, specify any right-of-way needs, and whether acquisition may or may not delay beginning of project.

N/A

- D. Who will hold title to the land where the project is to be located?

South Central Solid Waste Authority holds title to the land where construction is currently contemplated.

If this is land owned by the Bureau of Land Management, State Land Office, or Tribal Land, please attach lease agreements. (If there is no clear title, attach an explanation of ownership arrangements.

N/A

- E. Does this project require a Joint Powers Agreement (JPA)? Yes  No

If yes, provide a copy of (attach) the JPA, which should include a list of the current membership

**III. FINANCING**

A. 1. Specify the revenue to be pledged as security for the NMFA loan (a revenue source must be pledged for this type of project).

- Municipal Local Option GRT – please specify: \_\_\_\_\_
- County Option GRT – please specify: \_\_\_\_\_
- Other Tax-Based Revenue: Environmental Services GRT & Net Revenues of the Solid Waste Authority
- State-Shared GRT
- Law Enforcement Funds
- Fire Protection Funds
- Net System Revenues: \_\_\_\_\_
- Other Revenue: \_\_\_\_\_

2. Is there an alternative revenue source available to pledge to pay debt service in the event that the primary pledged revenue is unavailable or insufficient? Yes  No  If yes, specify:

3. Preferred financing term:

15 years (2014 through 2028)

B. Is any debt being repaid from the revenue source(s) referenced in A (1)? Yes  No

Yes the Series 2004 bonds are currently being repaid from the revenues sources referenced above however these bonds will be refunded in full with proceeds of the Series 2014 bonds which upon issuance will make the Series 2014 the only bonds being repaid from the referenced revenue sources.

If yes, provide bond or loan documents and payment schedule for any existing debt service being paid from the same revenues that would be used to repay a NMFA loan.

**IV. READINESS TO PROCEED ITEMS**

**A. The following items must accompany this application in order for this application to be considered complete:**

- Equipment cost breakdown (if applicable)
- Three most recently completed fiscal year audit reports
- Current unaudited financials
- Current fiscal year budget
- Verification of ownership of land where project will be located
- Documentation that each non-NMFA project funding source has been approved, or is in the process of being approved (if applicable)
- Joint Powers Agreement (if applicable)

**B. In addition, complete the following information, using additional paper as necessary. These items will be required prior to disbursement of NMFA proceeds:**

- Provide a detailed drawdown schedule for project payments
  - Final technical information for the project, stamped and approved by a registered engineer
  - Cost breakdown of the project, certifiable by either an engineer or architect
  - Area map, site map, and floor map (if applicable)
  - Verification of ownership of land where project will be located
  - Documentation that each Non-NMFA project funding source has been approved, or is in the process of being approved (if applicable)
  - Documentation showing status of right-of-way acquisition (if applicable)
  - Explanation of land ownership arrangements (if applicable)
  - List all required permits and licenses necessary to complete this project. Detail the status of each item, a plan of action, and time frame for completing incomplete permits and licenses. Also provide a copy of all permits and licenses.
  - Is there litigation pending which would have a bearing on this project or applicant? Yes  No
- If yes, provide a complete summary of all circumstances relating to such litigation.

- 
- Indicate the regular meeting dates for your authorizing body: As needed

**V. CERTIFICATION**

**I certify that:**

**We have the authority to request and incur the debt described in this application and, upon award, will enter into a contract for the repayment of any NMFA loans and/or bonds.**

**We will comply with all applicable state and federal regulations and requirements.**

**To the best of my knowledge all information contained in this application is valid and accurate and the submission of this application has been authorized by the governing body of the undersigned jurisdiction.**

**Signature:**

**Title:**

\_\_\_\_\_  
(highest elected official)

\_\_\_\_\_

**Jurisdiction:**

\_\_\_\_\_

**Print Name:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

**Signature:**

\_\_\_\_\_

**Date:**

\_\_\_\_\_

**Finance Officer/Director:**